Irish America honored Donald Keough as Irish-American of the Year, 1993, and presented him with a Waterford Crystal Coke bottle.

The Corporate Chieftain

The journey from sports commentator to head of Coca-Cola. By Niall O'Dowd

Houston Bound

It was August of 1961 and Don and Mickie Keough loaded up the big Chevrolet station wagon for the permanent move to Texas. "This was a huge move," Keough remembers. "Those kind of moves don't look nearly as big in 2004, but let me tell you, back in 1961 it was like going to another planet."

The move was a tough one, but what Don Keough had seen at his new employer, Duncan Foods (who had bought out Butternut Foods) in Houston, was sufficient for him to try to get to the next level in his business career. He found the company chairman, Charles Duncan, to be a committed man who led by example and never hesitated to take the time to help Keough learn the new business.

Soon Keough found himself part of a small group that essentially was running the company, which had about $40 million in annual revenues. He developed an excellent rapport with Duncan and, as the years passed, became an invaluable member of the team.

Early in 1964, he attended a big sales rally where management promised the workers that they were going to build the company into one of the largest in America. It was all systems go. Duncan Foods seemed on its way to the very top in American business.

Just a few months later, however, Charles Duncan dropped a bombshell and announced that the Coca-Cola Company was interested in acquiring Duncan Foods.

"Suddenly we were part of a whole new ball game," Keough remembers. "On the one hand it opened up a bigger role, bigger set of possibilities – on the other hand it raised all kinds of questions about what they intended to do with Duncan Foods and who would become part of the new setup.

"I knew that Coca-Cola does not buy everything it sees and that Charles Duncan ran a great company, so I was relatively sanguine about the deal. Indeed, I was very anxious to play a part in the new setup but I didn't know if I was included."

Keough need not have worried. Soon after Coke took over the company, they were deeply impressed by the management style of Charles Duncan and sent him to London to take over the U.K. operations. Duncan was also named to the board of Coca-Cola when his company was taken over by the Atlanta giant.

It was the very first step on an upward trajectory that would lead to Duncan taking over the president's position in Coca-Cola one day. For Keough, his protégé, it was a very important development.

Meanwhile, in Houston, Keough found himself as number two to a legendary Coke hand, Luke Smith, a "very open and frank guy" who immediately took Keough into his confidence. It was clear that the Coca-Cola Company also saw something in the young Midwesterner.

Coke had big plans for Duncan Foods, which would later be renamed Coca-Cola Foods. Among the first assignments was to consolidate the very successful Minute Maid brand which they had bought in 1960.

It was Keough's first experience of managing an internal takeover and he learned many valuable lessons from it.

"Coca-Cola didn't want Minute Maid and Duncan Foods as two separate entities, and my job was to streamline that process so that there was one unified chain of command and a clear strategy.

"The first lesson I learned was don't lie, be single-minded, tell the truth. Don't tell anyone anything other than the truth. I found it better to tell everyone in Florida we were going to locate operations in Houston and there would be significant changes as a result. Once you do that, you can deal with the fallout on an individual basis, once the basic decision has been made."

His mission accomplished with Minute Maid, Keough was soon back in Houston, learning the Coca-Cola ropes.

Houston was different from working at the headquarters in Atlanta, he found. "I had the luxury of not being involved in the day-to-day business of Coke. We were a small company and we were very conscious of our cash flow. You open your mail on Monday and you hope people have paid their bills to you on time. You are at the ground floor level and you understand how people have to sweat for every dollar.

"When you are in a giant company, however, nobody ever touches money. Budgets rule the roost and how to squeeze the last drop of profit from them. Yet, the only money Coke makes is in that simple transaction where someone buys a Coke or another of our drinks. You can never lose sight of that no matter how high up the corporate ladder you are climbing. Keep it simple, remember the customer, that is what I always tried to do."

The Move to Atlanta

Charles Duncan, Keough's mentor, was a major success in his assignments for Coca-Cola. In 1971, he was elected president of the company with Paul Austin as Chairman and Chief Executive Officer.

With Duncan now in Atlanta, he reached back to his old colleagues in Houston to help him with operations. Luke Smith, who was Keough's immediate superior, was called back to Atlanta to run the U.S. business, and Keough was elected head of Duncan Foods, which was renamed the Coca-Cola Foods Division.

Running Coca-Cola Foods brought Keough more and more into the Coke management arena. Coke Chairman Paul Austin and Charles Duncan asked him to make foreign trips, and soon he had jetted to 150 countries, an extraordinary odyssey for a man who had no international grounding until that point.

Keough was also enjoying running his own show. "I had passion for what I was doing. I always believed that you have to have people at the top who are passionate about their company, and that then is communicated down through the ranks. You can't order good morale in a company. You can't say 'effective Monday we will have good morale.' It is only when everyone believes in the mission, when they have the psychic income to believe that they are part of it. It would drive me crazy when phone operators sounded unhappy or distracted when I called.

"I would always tell them 'you are working for the Coca-Cola Company, the greatest in the world,' 30,000 employees, basically a consulting company to a system that has between 700,000 to a million people that are focused and dependent on the business we run every day.

"I wanted to develop a clear managerial style right away. The task of leaders in business is to convince the people who work for you that what you are suggesting for them is in their best interest. It is like a perpetual marriage, you get along to go along, you have difficulties, spats, but you have to sit down and say we are going to work this out.

"When I eventually became President of the Coca-Cola Company, I was asked by some media people how I intended to handle the job. I told them I was the highest paid janitor in the world and that my job was to keep the aisles clean for people to go about their work. In bureaucracies there are no clean aisles, bureaucracies tend to complicate things, they will tell you that you don't realize how difficult it is to do what we have to do. I say I'm just here to sell a coke, day after day, as many as I can. Bureaucracies don't understand the magic, that selling some sugared water is much more about that magic than just numbers."

Keough did his selling job so well at Coca-Cola Foods that, in 1973, the call came from headquarters and he was promoted to Executive Vice President in Atlanta.

It was a major move once again; his children had finally settled in Houston and his daughter Cathie had married there. "Suddenly we had to get into our car again and head out of Houston to a city we didn't know.

"Of course I knew Atlanta from going back and forth there, but it was different to actually settle there. We noticed right away, of course, that it was more difficult in some ways at the Coca-Cola headquarters. We had an easy style in Houston: if you wanted something, you either got it yourself or got someone to order it. I came in one day and found my secretary, Florence, who had made the move with me, crying at her desk. She'd asked for some pencil and paper and discovered to her astonishment that she had to fill in forms to get them. It was very frustrating for her.

"Soon after I arrived, Luke Smith called me in and gave me my assignment. We had a real problem with our fountain operation, which was basically everywhere coke was sold in a cup or glass to restaurants, fast food outlets, theaters, ecterea."

Fountain Trouble

"The fountain department had been a darling at Coke; after all, it was the way that Coke had started. But there was a system in place which allowed the salesmen to send syrup from Coke to the big outlets without ever accurately calculating how much they needed. But when McDonald's or whoever did not use the full amount they would only pay for what they used and we would be left with gallons of syrup and the cash deficit. I knew I had to address the issue head on.

"I learned that it was a little casual in the department. I called a meeting soon after I took over responsibility for it and no one showed at 9 a.m. I left a note that the meeting was rescheduled for the following morning at 8 a.m.

"Within two weeks I had every sales person, all 700 of them, in hotel rooms all over the country, telling them, 'You can only spend what you have or you will end up in bankruptcy.'"

Keough says it was vital to keep a direct line of communication. "I especially wanted my message to be very clear. I know in a big organization what comes out of the mouths of leaders gets watered down as it goes through the company. You have to be very clear and precise about what you want.

"I used that technique whatever the issue I was dealing with. With large groups I would first ask them to tell me what the company was doing wrong. Many of them expected it to be all about their faults, their problems. I found once you asked that question they were comfortable telling you what you need to look at and in the process they will tell you what they are doing wrong too. I learned an awful lot that way."

Keough succeeded in sorting out the fountain business for Coke, which left him in a strong position to move onwards and upwards. However, his mentor Charles Duncan became embroiled in a political battle with Chairman Paul Austin, who later got Alzheimer's, which then was not in the public lexicon. "Many people interpreted his dementia as an alcohol problem, which it certainly was not," says Keough.

It was 1974 and, with Austin away on an African trip, the legendary Robert Woodruff decided to get involved. Woodruff had a love-hate relationship with Austin and had decided that Duncan would become the power in the company. However, Duncan did not have enough support at board level, and Austin returned to fight a pitched battle to save his job. He won and Duncan was out, the first time anyone could remember that Woodruff lost an internal Coke battle.

"Charles Duncan parted ways with Coca-Cola, and as he was my mentor, though we are roughly the same age, I thought this would cause me major difficulties," says Keough.

Duncan went on to a brilliant career. He became Assistant Secretary of Defense in the Carter White House and later Secretary of Energy. He came back on the board of Coca-Cola later, which made Keough very happy.

"Most people thought I would be gone too, as in any major company when you lose your major sponsor it can be the end of the road. However, Austin asked Luke Smith, my other great champion, to become president in place of Duncan, and then Austin asked me to become President of Coke U.S.A and I did in 1974. I was very sorry that Charles had left, but I was ready to take the next job. I was starting on a new phase of my career."

The Bottlers

Luke Smith had just one major assignment for Keough when he came on board as President of Coke U.S.A. It was a task so mammoth that it could have consumed not just Keough, but the entire management at Coke.

The bottlers had a fixed price for the syrup concentrate, dating back to a legal decision in the 1920s, when the bottling part of the operation was nowhere as important as the fountain business.

A bad deal started to look a whole lot worse by the mid seventies when prices for everything were starting to explode and soon inflation ran rampant reaching as high as 18 percent.

Adding to the sense of crisis at the company was the fact that the Federal Trade Commission had decided that territorial boundaries for the Coke bottlers, the mainstay of the whole system, were illegal.

The entire renegotiation of the contract landed on Keough's desk within days of taking his new job. "It made a resounding thud," he says. "Of all the things I had done in Coca-Cola this was by far the most difficult. Each bottler family carried the baggage of history, each was weighed down by the previous generation's determination not to give up the fixed price. It was hard going."

Keough and Smith operated a good cop/bad cop routine. "I drew the blood and Luke Smith wiped it up," remembers Keough. "We eventually did it, with the exception of a few independent bottlers. I learned in that episode that persuasion is all about consistency, not over-promising, and above all the importance of simple truths. We simply had to have that contract changed or it was going to be bad for everyone. What we all had in common was a love for Coca-Cola, and I think that proved the key to the negotiations."

With the bottler situation finally getting resolved, Keough once again found himself in new pastures. He was appointed as head of all the Americas for Coke in 1976.

Latin America was in considerable turmoil during the time that Keough was in charge of the Americas. He became one of the first executives to fly into Argentina after the junta took over there.

There were big problems in Guatemala, too, for Keough, where there was a repressive government and death squads were taking out some Coke union activists. It was alleged that this was done with the agreement of the Coca-Cola bottler, a right wing Texan called John Clayton Trotter, who bitterly opposed union activists in his Coke plant.

Keough was the man in the middle. The company investigated Trotter and found that legally it was almost impossible to get rid of him. "We have revulsion and are embarrassed by the kind of shenanigans Mr. Trotter is doing," said Keough. "But we haven't got the luxury to operate in any environment but the legal one.'

Keough was touching on a vital point: with independent bottlers in 135 countries, Coke could not take responsibility for how every one of them acted.

The killing of Coke union workers continued and a boycott campaign began to take off. Coke determined that they had to wait it out until Trotter's contract was up in September of 1981. Right after the contract was terminated, Coke essentially bought him out at a hugely inflated price.

Latin America was not the only problem area for Keough. Back in the U.S., the company's diet drink TAB, which was invented in 1962 for an increasingly weight conscious America, came under pressure.

"How can one calorie taste so good," ran the catchline, and TAB soon caught on. The key was replacing sugar with the sugar substitutes cyclamates and saccharine, something that did not please the sugar industry.

In 1979, the F.D.A. announced that cyclamates, the sweetener in most diet soft drinks, caused cancer in laboratory rats. "They fed a millennium supply to a mouse and he died," says Keough. "A coke employee reckoned you would have to feed 550 Frescas a day to a human for the same dosage. No wonder the mouse died."

It was enough, however, to have Coke pull the products off the shelf. Soon they converted Fresca to saccharine and TAB to sugar and saccharine. The crisis was averted, although it had been a very trying few years for both Keough and the company. But on the cusp of the 1980s, major changes lay straight ahead.

President of Coke

In 1979, Coke stock was actually at a lower price than it had been in 1970, despite a 2-1 split in 1977. The growth rate per year, adjusted for inflation, was a mere 5.4 per cent. Market share was slipping against a newly revitalized Pepsi- Cola. It was clear that changes were needed.

Paul Austin's Alzheimer's was becoming more noticeable. Robert Woodruff, still very much the power behind the throne, decided that Luke Smith would replace Austin. Woodruff, however, was unable to nail down the job for Smith and Austin

American soldiers stationed in Northern Ireland during World War II inspired this unique Irish-language ad, used in late 1943 and early 1944. From the Mick Moloney Collection/Irish America Archives, N.Y.U.

issued a 'back me or sack me' ultimatum to the board. They kept him and he fired Smith.

The news was greeted with disbelief at the company. "Luke had played a huge role in settling the bottlers dispute and was very popular with his staff," remembers Keough

"The question then was, who is going to be the successor?" says Keough. "It was obvious Austin was close to the end of his reign. Austin, however, did not want to go, and used a clever tactic of appointing six of us as vice chairmen and created an Office of the Chairman.

"Well, Vice Chairman of the Coca-Cola Company might have been a nice title 100 miles away from Atlanta, but what it meant in practice was that you were just one of the prize bulls trotted around the ring."

Everyone was obsessed with the contest. *Business Week's* headline ran, "Succession at Coke is a Horse Race Again"

"Paul Austin had made it clear that Ian Wilson was his favorite," Keough said. "He and Austin had worked together in South Africa and they were good friends as well as fellow executives. So Wilson came out of the gate very fast.

"That left me and Roberto Goizueta as the other two favorites. He was a chemical engineer; I was a marketing guy. But despite all that, we actually had an awful lot in common. We both had a Jesuit background and training, we had the same value system, we liked each other and we began to realize that one or other of us would get the job if Ian was out of the picture. Then Wilson got into some trouble with his visa.

"You have to remember that a lot of unrest was developing, our chairman had Alzeihemer's, and there was no obvious successor. Coke was still a single product, and the need to have a new product, Diet Coke, was urgent. We all thought it made no sense at the time that we didn't have it. People were leaving the sugar beverages and we did not have a diet coke product waiting for them.

"Both Goizueta and I were convinced that Diet Coke had to be launched because we thought the introduction would have a tremendous impact on our image and revitalize the whole company. But Austin did not seem enthusiastic."

The two men reached a pact.

"We had a dinner planned with Paul Austin," Keough remembers. He, Goizeuta and their wives went to the bar before the dinner for a cocktail. There was small talk and then the topic turned to who the next chairman would be. Suddenly both men looked at each other with a flash of recognition. They would tie their futures together, whatever happened. They knew Wilson's candidacy was in trouble and that Woodruff, not Austin, would make the key decision quickly.

"I said to Roberto something like, 'You know this thing is up in the air. We are both obviously prime candidates and one of us will be picked as chairman. We should immediately agree that we want to work as a team and whoever gets the chairman's job will choose the other as president.' It was that simple. I'm sure he saw the relief in my eyes that I saw in his. We touched hands and that was it, it was sealed. I never doubted that Roberto would live up to that pact."

Events moved fast. Woodruff, tired of Austin's increasing eccentricities, decided he had to go. Austin recommended Wilson as his successor. Woodruff, however, had different ideas.

On May 30, 1981, at a special meeting of the Coca-Cola board, Roberto Goizeuta was appointed president and first in line to succeed Austin when he retired in one year.

Why was he chosen? Keough says that Roberto knew the secret formula for Coke and had a major standing in the company as a result, especially in Woodruff's eyes. It had come about in 1974 when Cliff Shillinglaw, mixer of the Coke secret formula, was traveling overseas to monitor the ingredients. He became ill and almost died of a heart attack. Because of fears that he would not survive, Woodruff was informed that a young Cuban-born chemist named Roberto Goizeuta would now be entrusted with the formula as well. It was Goizeuta's ticket into the charmed circle.

Keough was initially hurt and disappointed. He remembers it as one of the toughest evenings of his life. "I had thought I would be knighted, but the sword didn't come down on my shoulder," he says simply.

His phone began ringing with headhunters from all over the United States, offering him chief executive roles in other major companies.

"I'd be lying if I said I didn't think about moving," he says. "But I loved Coca-Cola and had a very good package. I decided that I could do a lot of wonderful things in the company and once I got my ego under control I was ready to go."

Keough struck up an excellent working relationship with Goizeuta.

"He loved the company and so did I, and we knew one overriding thing. If you only had that brand name and every asset of the company folded, all the trucks, every bottle, every building came crashing down, if someone has the formula tucked away in a bank vault then you could fill Yankee

Donald Keough with Mickey Mouse. Coca-Cola considered buying the Disney Company but bought Columbia Pictures instead.

Stadium with bankers who would be willing to give you the billions to start all over again. That is a very powerful thought."

In March 1981, Roberto Goizeuta was elected chairman and walked into Keough's office to tell him that he had recommended to the board that he be appointed president.

"I felt a great sense of relief, but also a conviction that I was in the right job in the right place at the right time. I told Roberto that we would be a remarkable team, we were two different people with different skills; saw things differently in many ways. He had the ability to turn over an enormous amount of authority without feeling threatened. He was very secure in his sense of himself. I had all the authority and he had the ultimate responsibility, obviously."

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Taking the Reins

Perhaps the most seminal meeting of the Coca-Cola Company in the modern era took place in April 1981 at Palm Springs in California. The leaders from all over the globe gathered round the conference table in a hotel room and debated and argued for five days how things were going to be in the future.

Keough and Goizueta had worked hard on a mission statement which both men believed set down in "plain Anglo-Saxon" what direction Coca-Cola would need to take over the next decade. It was the blueprint for the future

The company was in trouble. The long stretch when Paul Austin first began to suffer from Alzheimer's and, later, the succession race that became a huge distracting factor, had meant that the company had suffered from a lack of decisive leadership.

The stock price had dropped by half since the mid 1970s and stood at only $2.5. The entire company was valuated at just $4 billion. The return on investment for the decade had been a miserable one percent per annum compounded over ten years.

Goizueta kicked off the meeting with an astounding proposition which he called "slaying a sacred cow every day." It was necessary to reinvent the company almost from the beginning, he said.

The major problem Keough and Goizueta had identified was the system of fiefdoms worldwide that constituted the Coca-Cola Company. Because much of the overseas growth had occurred long before the era of mass communication, the realities were that systems had grown up independently of Atlanta and local barons felt little connection to the mother plant back in Atlanta.

In terms of language, Coca-Cola may well have been the second most recognized words in the world after "OK," but the company itself had markedly separate identities all over the world.

Goizueta and Keough decided that the system was broken and had to be fixed urgently. International headquarters had by then been moved back to Atlanta and the decision was made to consolidate all the international operations there. They decided the world would be divided into four regions: Europe, Asia, the Americas and Middle East/Africa.

"The principal reason is that we wanted everyone on the same page, wanted everyone in the system to memorize the mission statement and make it the single driving document behind the company. We brought all the heads of the international divisions over and based them in Atlanta. This ensured I think that we had no one wandering too far off the reservation.

"My view, and Roberto's, was that the business was not in that fancy building on North Avenue in Atlanta but it was around the world, and we needed to do the right thing to get the right people doing business for Coca-Cola there.

He was also keenly aware that when he visited foreign shores, there was often a major effort to ensure that he only got to see what they wanted him to see.

"I found it very hard to break that practice of being met at the airport and taken to the three local customers where Coca-Cola is a huge success But I would not be happy with that I wanted to see stores that were not on the list, stop the car and go into one on the way to the chosen one. When I sat down with my hosts, I always wanted to make it a very direct conversation, sit down with the employees and management without any ceremony – saying 'Here's what is on my mind, now what's on your mind?'"

Back home, Goizueta and Keough continued to shake up the system. Executives had to earn their keep and were evaluated strictly on their ability, not their penchant for how well they played the corporate game "You saw what kind of intestinal fortitude they had," Keough said. "You saw whether they were technical or strategic talented and who were the kind of people you wanted to move to other positions." There would be no free lunches at the new Coke.

With their plans in full stream, Goizueta and Keough decided to try to build up Coke's domestic income level with the company's international sales. There was a significant drawback, however: Coke's domestic sales of their core products could never match the huge overseas sales. Growth was going to have to come from unrelated businesses.

Columbia Calls

The need for Coke to diversify soon took precedence at the Atlanta headquarters. Quickly, they focused on two areas, entertainment and pharmaceuticals, the only industries with significant enough domestic earnings to impact Coke's bottom line. Both Keough and Goizueta were far more comfortable with the synergies associated with the entertainment business and the search began in earnest.

There were two candidates, the Walt Disney Company and Columbia Pictures. It became obvious that Disney, despite their poor earnings, would probably resist a takeover. Neither of the Coke principals would entertain such a scenario. That left Columbia Pictures.

Columbia, founded in 1920, initially became known for its ability to produce low-budget westerns and comedies. The best-known contributors to the bank balance at the studio were

Donald Keough and Johnny Carson at Century Plaza at a dinner honoring Frank Price, who was the president of Columbia Pictures at the time.

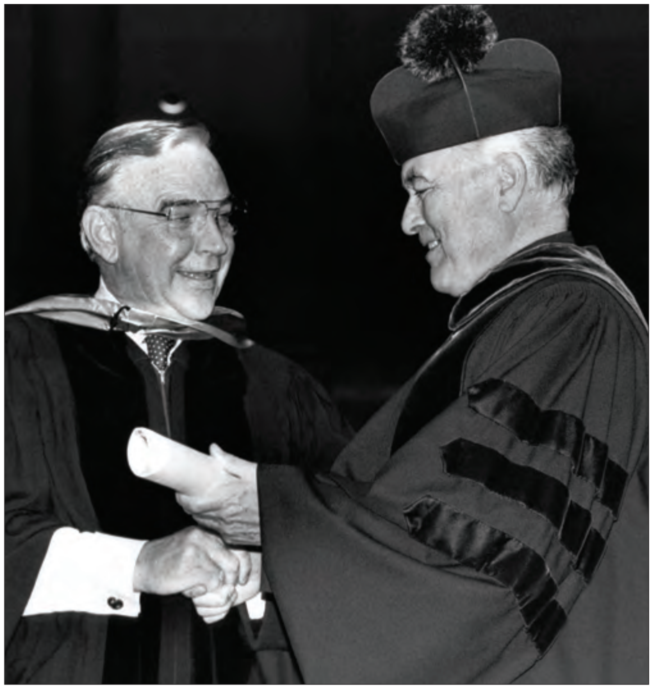
the Three Stooges. Director Frank Capra came on board in the late 1920s and began to remake the image of the studio into one of the great filmmaking ventures of its time.

By the 1970s, however, Columbia appeared to have lost its way and, in a major cost cutting exercise, sold its Hollywood headquarters and moved to Burbank. By the time Coke came to look at it, the studio was in deep need of a makeover and a financial injection. For Coke, it seemed the perfect target.

"It was the right size of footprint. They were involved in both television and motion pictures, and had an incredible library of films. In our business, we think of making Coke as creating software, which is what we saw at Columbia – making films and then having them distributed by others, rather like how our product was handled. It seemed there was an awful lot of positives in the air. Cable television was just starting up, there were new methods of taping and replaying films, the business was clearly going through a huge revolution."

But Columbia would not come cheap. On the day before Thanksgiving in 1981, Don Keough led a Coke delegation and sat across the table from the Columbia team at the famed '21' Club in New York.

The bid was for $68 a share. The parties went back and forth until a final price of $75 a share, valuing the company at five times book value, was offered. It was a price tag of $690 million. Coke was in the movie business.



Donald Keough receiving an honorary degree from Notre Dame president Fr. Hesberg in 1985.

Donald Keough, the President of Coca-Cola.

Donald Keough holding the Oscar for the movie *Ghandi*. That Oscar is now on display at the New World of Coca-Cola. L to R: Donald Keough, Fay Vincent, President, Columbia Pictures Industries, Inc., Richard Attenborough, Producer/Director *Ghandi*, Guy McElwaine, President, Columbia Pictures

The move to movies did not enthuse the market analysts, who failed to see the synergy between Coca-Cola and Hollywood. After the announcement was made in January 1982 the stock dropped 10 per cent. Analysts said the company had paid far too much for Columbia.

"Roberto and I looked at each other and thought, 'Well, it's been a nice short honeymoon so far.' Here we are, our first major deal and Wall Street hates it. We knew there would be some reaction, that people would ask what was Coke doing in the risky business of entertainment. But we didn't expect it to be so negative

"Soon, however, the Columbia deal began to look a lot better. We had two major hits, *Tootsie* and *Gandhi*, and that got us off the ground. I was chairman of Columbia Pictures, so I took a lot of satisfaction from that, especially as the markets began to see we had actually made a smart move. By the end of 1983, our first full year running Columbia, the studio posted a $90 million profit – 50 per cent higher than even our own expectations. Roberto said to me, 'The next three years are going to be the 'I told you so' years.' He was especially happy, I think.

"Still, it was a different world in the movie business. I had my first experience of the big time when *Gandhi* was premiered. We were in a limousine that pulled up in front of the theater and we were surrounded by fans flashing cameras and paparazzi. When we got out this old lady rushed up, looked at us askance and said, 'Forget it, they're nobodies.' We had a good laugh at that.

"The Oscars themselves were always a blast. I was clueless. My wife, Mickie, would get excited and poke me and say 'There's so and so' and I'd say, 'Who's that?' I guess after a while I picked up some of the buzz about who was hot stuff.

"I was also in Hollywood when our deal creating Tri-Star pictures came about. That was a joint production agreement between Columbia, Home Box Office and CBS. Tri-Star enabled us to produce movies off of our own balance sheet, with HBO and CBS paying a substantial share of the costs.

"We had a big party to celebrate and every major Hollywood figure was there, I think. Sean Connery, Cary Grant, Dustin Hoffman, everyone imaginable.

"There were some wonderful moments with the stars. I remember we were heavily involved in the Los Angeles Summer Olympics in 1984, and we were going to be part of the opening ceremony. Well, we were waiting in the tunnel and were delayed because President Reagan was a little late arriving. I was trying to push my way through the crowd, but I noticed that Mickie would not follow me. I went back to get her, but she was leaning up against Cary Grant, chatting to him and frantically motioning me away. She would have stayed there for a week, I think.

"Coke, of course, had some huge busts when controlling Columbia. *Ishtar*, with Warren Beatty and Dustin Hoffman, was perhaps the biggest of all. It took the then-astronomical sum of over $40 million to make and sank without a trace. We took a $25 million writeoff on it. Waren and Dustin got $6 million each and there was a nightclub set that cost $5 million.

"Fortunately, we had our share of hits as well such as *Ghostbusters* and our television syndication business was very lucrative. Earnings from television, for instance in 1983, made up four-fifths of the $91 million we made.

"That entire period of course was controversial. There was a huge turnover in studio heads and, despite the best efforts of Fay Vincent, who was a brilliant manager, it had become very unpredictable. What we could never get at Coca-Cola, however, was a guaranteed stream of income. The business was just too unpredictable; Fay was doing a terrific job, but it was all very difficult.

"Besides, Coca Cola was flying in the 1980s and our income stream soon exceeded that of all the Hollywood studios put together. Roberto and I discussed it at length. We went to the Oscars in 1988 where our movie *The Last Emperor* essentially swept the boards. We had a wonderful night, but Roberto and I knew it would soon be time to close the chapter on this episode. We were a soft drinks company, that was what we were best at."

Epilogue

Donald Keough retired as president, chief operating officer in April 1993, but he remains a director of Coca-Cola. Today, Keough is chairman of the board of Allen & Company Incorporated, a privately held investment firm. He is also a director of IAC/InterActiveCorp, Convera Corporation and Berkshire Hathaway Inc., and serves on the Taoiseach's (Irish Prime Minister's) Irish-American Advisory Board.

Through all his corporate success, Keough never lost touch with his Irish heritage. He invested in Irish Studies programs at Notre Dame and Dublin, and led several trade missions to Ireland, North and South, introducing such corporate heavyweights as Warren Buffett and Bill Gates to the country. In 2006, he brought his family, including 16 of his 18 grandchildren for a visit, thus ensuring that the younger generation enjoy an appreciation for their roots.

In June, 2007, Donald Keough completed "The Long Journey home," which began in the worst of times – the Famine era – with young Michael Keough striking out for the New Land, and ended with the best of times, with Donald, the Corporate Chieftain, whose success Michael could hardly have imagined, celebrating his Irish citizenship. IA